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SMALL BUSINESS ADMINISTRATION

13 CFR 131

RIN: 3245-AG02

Office of Women Owned Business: Women's Business Center Program

AGENCY: U.S. Small Business Administration

ACTION: Advance Notice of Proposed Rulemaking.

SUMMARY: The U.S. Small Business Administration (SBA) is issuing this Advanced Notice of Proposed Rulemaking (ANPRM) to solicit comments on issues involving the Women's Business Center (WBC) Program. SBA is evaluating the policies and procedures governing the management and oversight of the program and believes that public input could enhance its efforts to provide clear comprehensive and consistent guidance to the WBC grantees. Among other things, the ANPRM seeks public feedback on: (1) The standards and procedures for evaluating applications for new or renewal application for WBC grant; (2) procedures and requirements for resolving findings and disputes resulting from financial exams, programmatic reviews, accreditation reviews, and other SBA oversight activities; and (3) the form and function of the required WBC information clearinghouse. SBA expects this effort will remove any ambiguity and uncertainty in the program and result in improved delivery of services to the small business clients WBCs serve throughout the country.

DATES: Comments must be received by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by RIN 3245-AG02 by one of the following methods:

(1) Federal Rulemaking Portal: [www.regulations.gov](http://www.regulations.gov). Follow the instructions for submitting comments;

(2) Mail/Hand Delivery/Courier: U.S. Small Business Administration, Attn: Bruce Purdy, Deputy Assistant Administrator for the Office of Women's Business Ownership (DAA/OWBO), 409 3rd Street, SW, Washington, DC 20416, via facsimile (202) 481-0554; or

(3) E-mail to [owbo@sba.gov](mailto:owbo@sba.gov). SBA will post all comments to this Advance Notice of Proposed Rulemaking on [www.regulations.gov](http://www.regulations.gov). If you wish to submit confidential business information (CBI) as defined in the User Notice at [www.regulations.gov](http://www.regulations.gov), you must submit such information to the U.S. Small Business Administration, Attn: Bruce Purdy, Deputy Assistant Administrator for the Office of Women's Business Ownership (DAA/OWBO), 409 3rd Street, SW, Washington, DC 20416, via facsimile (202) 481-0554, or submit them via e-mail to [owbo@sba.gov](mailto:owbo@sba.gov). Highlight the information that you consider to be CBI and explain why you believe SBA should hold this information as confidential. SBA will review your information and determine whether it will make the information public.

FOR FURTHER INFORMATION CONTACT: Bruce Purdy, DAA/OWBO, U.S. Small Business Administration, 490 3<sup>rd</sup> Street SW, Washington, DC 20416, telephone number (202) 205-7532 or [bruce.purdy@sba.gov](mailto:bruce.purdy@sba.gov).

## SUPPLEMENTARY INFORMATION

### I. Background

The Office of Women's Business Ownership (OWBO) and the Women's Business Center program were created under the authority of Title II of the Women's Business Ownership Act of 1988 (Pub. L. 100-533) and the Women's Business Development Act of 1991 (Pub. L. 102-191). The program authority is now codified in Section 29 of the Small Business Act 15 U.S.C. 656. The initial Demonstration Training Program, later renamed the Women's Business Center Program and the Office of Women's Business Ownership were created in response to Congress's desire to remove barriers to the creation and development of small businesses owned and controlled by women and to stimulate the economy by aiding and encouraging the growth and development of such businesses. The specific objectives of the demonstration were to provide long term training and counseling to potential and current women business owners including those who are socially and economically disadvantaged.

Since its creation, the Women's Business Center program has changed through a number of public laws that have turned the program from a demonstration program into a permanent program. The program has grown and evolved to provide a variety of services to the many entrepreneurs ranging from those interested in starting a business to those looking to expand an existing business.

Over the last several years, SBA has incorporated processes to monitor the WBC program, including conducting financial examinations required by statute. However, as the program was still a demonstration program until 2007, regulations have never been drafted and issued for the program.

According to section 29(a)(4) of the Small Business Act, 15 U.S.C. 656(a)(4), a women's business center must reach a distinct population that would otherwise not be served; whose services are targeted to women; and whose scope, function, and activities are similar to those of the primary women's business center or centers in conjunction with which it was established.

The SBA is seeking comments on how to define "distinct population that would otherwise not be served" and "whose services are targeted to women" with respect to this statutory requirement. Currently, the SBA defines "a distinct population that would otherwise not be served" as economically and socially disadvantaged women. SBA defines "services targeted to women" as a Women's Business Center having a majority of their clients as women.

In addition, the Small Business Act at section 29(c)(2), 15 U.S.C. 656(c)(2), states that Women's Business Center Program grantees shall not have more than one-half of the non-Federal sector matching assistance be in the form of in-kind contributions that are budget line items only. The SBA is seeking comments on how to define what is acceptable for activities that fall under "in-kind" and what guidelines grantees should use in determining reasonable costs associated with in-kind activities and acceptable guidelines for documenting in-kind match. Currently, the SBA finds donated time by subject matter experts (e.g., lawyers, accountants) conducting training or counseling and real estate donations (e.g., donated office space) as legitimate in-kind activities. The SBA is also seeking comments on guidelines for determining what should or should not be a "budget line item."

The Small Business Act at section 29(f), 15 U.S.C. 656(f), also states that selection criteria used in deciding whether to award an initial Women's Business Center grant are: (1) The experience of the applicant in conducting programs or ongoing efforts designed to impart or upgrade the business skills of women business owners or potential owners; (2) the present ability of the applicant to commence a project within a minimum amount of time; (3) the ability of the applicant to provide training and services to a representative number of women who are both socially and economically disadvantaged; and (4) the location for the women's business center site proposed by the applicant. Based on these statutory criteria, the SBA is seeking comments on what guidelines SBA should use in evaluating "the experience of the applicant" and "the proposed location for the women's business center." Additionally, the SBA is seeking comments on how to define what an appropriate "minimum amount of time" would be to commence operating as a Women's Business Center following receipt of an award.

According to section 29(g)(2)(B)(i), 15 U.S.C. 656(g)(2)(B)(i), one of the responsibilities of the Office of Women's Business Ownership is to "maintain a clearinghouse to provide for the dissemination and exchange of information between women's business centers." The SBA is seeking comments on how to maintain this clearinghouse and in what form the clearinghouse should exist.

Section 29(l)(2)(a)(ii), 15 U.S.C. 656(l)(2)(a)(ii), the Small Business Act states that in order for a non-profit organization to renew its original grant, the applicant must certify that the organization "employs a full-time executive director or program manager to manage the center." The SBA is seeking comments on how to define "full-time" for purposes of managing the center. This same section states that the applicant must submit

information about its “ability to fundraise.” The SBA is seeking comments on what factors and types of information the SBA should collect to make a determination on the applicant’s ability to fundraise.

Finally, in addition to the specific issues raised above, SBA invites comments on other aspects of the WBC program that the public believes should be evaluated and revised where possible. We ask that you provide a brief justification for any suggested changes.

Maria Contreras-Sweet,  
Administrator.

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